



**Lake Havasu City**

Phone: (928) 453-4147 ■ Fax: (928) 855-0551

## **SEWER LOAN SUBORDINATION**

In the event of a loan refinance, unless a financial hardship exists, Lake Havasu City will not subordinate its sewer loan position and suggests rolling a sewer loan payoff into the refinancing if a lending institution requires subordination.

Lake Havasu City will consider subordinating its sewer loan position, on a case by case basis, in instances of homeowner financial hardship where a potential loss of the home may exist without the assistance of a refinance.

Review/Approval of subordination requests may take up to two weeks from the date of receipt of request and are **considered on a case by case basis**.

### **Subordination Requirements:**

- Cash out financing requests will not be considered
- The new total loan-to-value ratio should not exceed 95%
- The Lake Havasu City loan will be in no less than second position
- An escrow for taxes and insurance must be included in the loan
- Property taxes must not be delinquent
- The applicant cannot be delinquent in any amount owed or payable to the City
- The City will agree to subordination for a simple refinance no more than once in any 24-month period

### **Requestor Provides to City:**

- Residential loan application (including loan-to-value)
- Proof that a financial hardship exists
- Document that shows the City's current recorded position (Title Search Document)
- Shipping label with account number for return of documents if approved

Subordination requests can be submitted electronically to [sewerpayoffs@lhcaz.gov](mailto:sewerpayoffs@lhcaz.gov)

Or mailed to: Lake Havasu City  
Administrative Services  
2330 McCulloch Blvd. N.  
Lake Havasu City, AZ 86403

If approved, a completed, signed subordination agreement will be returned. The requestor will be responsible for obtaining the notarized signature of the borrower. Per Arizona Revised Rules of Evidence, the City Official's signature does not require notary.

Subordination agreements cannot be modified as to form.